Executive Council

ANNUAL REPORT

2003-2004

Alberta

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ANNUAL REPORT 2003-2004

Executive Council

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

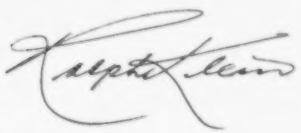
The annual report of the Government of Alberta released June 29, 2004, contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Executive Council contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry's business plan. This Ministry's annual report also includes:

- The financial statements of entities making up the Ministry including the Office of the Premier/Executive Council and the Public Affairs Bureau, and regulated funds, provincial agencies and Crown-controlled corporations for which the Minister is responsible;
- Other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Bureau has anything to report; and
- Financial information relating to trust funds.

Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 2004, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 16, 2004 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Ralph Klein
Premier

Message from the Minister

Welcome to the 2003-04 Executive Council Annual Report. This report includes information on the Executive Council and its activities and the Public Affairs Bureau.

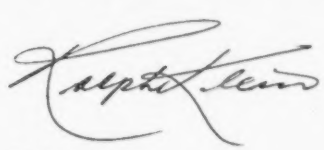
Executive Council provides direction for and supports Government of Alberta ministries, and ensures the government and its programs and services are meeting the needs of Albertans. Executive Council is also responsible for providing policy, planning, communications and administrative support for the Premier's office, Executive Council and the Office of the Lieutenant Governor.

The Public Affairs Bureau is government's primary resource for communicating with Albertans. It provides the government with two-way communication with Albertans and offers communications support to Government of Alberta ministries.

This has been a very busy year for government. Executive Council coordinated government-wide responses to a variety of emergency issues including BSE, drought conditions, SARS and West Nile virus. In all of these areas, the government strove to communicate regularly and effectively with Albertans, stakeholders and foreign governments. It was also an opportunity to focus on cooperation between the provincial and the federal government and between the ministries of the Government of Alberta.

This year, the government also worked with stakeholders and Albertans on many issues important to Albertans, including the Learning Commission Report, auto insurance, Alberta's long-term water strategy, family violence and bullying, strategies to strengthen the Alberta economy, and investment in Alberta's roads and infrastructure. Many ministries executed public consultation programs to ensure that the voices of Albertans were heard.

Another key activity for Executive Council was the development of a 20-year strategic plan for government, which was released in March 2004. The plan focuses on four key areas where Albertans will need to work together to build on the success created over the past decade so the province's current prosperity can be maintained and expanded in the future. Executive Council will work cooperatively with government ministries to ensure the strategies of the plan are met, and will also encourage all sectors of the province to work together on goals set out in the plan so future generations of Albertans can enjoy a strong economy, healthy communities and the highest possible quality of life.



Ralph Klein
Premier

Management's Responsibility for Reporting

The Ministry of Executive Council includes Executive Council/Office of the Premier, the Office of the Lieutenant Governor, the Office of the Chief Internal Auditor and the Public Affairs Bureau. Executive Council/Office of the Premier provides policy, planning, communications and administrative support to the Premier and Executive Council, Protocol and the Alberta Order of Excellence Council. Created in 2003-04, the Office of the Chief Internal Auditor provides a centralized internal audit function to government. The Public Affairs Bureau ensures effective communication between government and Albertans.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

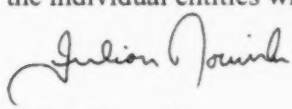
Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Premier, Minister Responsible for Executive Council. Under the direction of the Minister Responsible, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control, which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister Responsible any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.



Julian Nowicki
Deputy Minister, Executive Council
September 16, 2004

Public Affairs Bureau Highlights

The mission of the Public Affairs Bureau is to help the government in its ongoing dialogue with Albertans by providing quality, coordinated and cost-effective communications services.

The Public Affairs Bureau's spending for 2003-04 was $13,015,000, within its authorized budget of $13,088,000. Bureau revenues totalled $2,350,000, $1,150,000 over the target of $1,200,000. Higher than projected revenues are mainly due to sales of the revised Occupational Health and Safety legislation.

The Public Affairs Bureau continues to operate the Service Alberta Call Centre, with agents in Edmonton and Calgary. These centres are invaluable tools for communicating with Albertans. Satisfaction with this service remains very high. Public Affairs Bureau performance measures are on target.

Cooperation between ministries occurs continually and on a variety of issues important to Albertans. With the goal of providing Albertans with timely, pertinent information, communications staff work together to plan and develop communications strategies and programs. This year was also highlighted with a number of public consultation initiatives, designed to effectively get Albertans voices heard in the planning of government programs.

Some of the Bureau's accomplishments for the 2003-04 fiscal year include:

- supporting key government programs and initiatives including natural gas rebates, Alberta's Water for Life Strategy, the Alberta Commission on Learning, the Capital Plan, the SuperNet and the MLA Committee on Strengthening Alberta's Role in Confederation; and
- ensuring Albertans have access to accurate, up-to-date information by continually updating pertinent websites and supporting two-way communications through the Service Alberta Call Centre.

Public Affairs Bureau

Organizational Overview

Managing Director
Phone 427-9229

Provides overall management of the Public Affairs Bureau

Advertising Services
Phone: 427-2698

- coordinates and monitors advertising policies and standards across government
- maintains cross government advertising contracts
- maintains the government's registry of advertising agencies
- coordinates advertising competitions for ministries
- provides advertising related consultative support to ministries

Corporate Communications
Phone: 644-4623

- assigns professional communications staff to ministries to provide expertise and consultation on the development and implementation of communications plans and programs
- provides planning, coordination and delivery of cross- government communications initiatives
- coordinates communications during public emergencies
- provides specialized writing and editing services

Communications Resources
Phone: 427-4366

Publishing Services
- maintains the Alberta government home page
- provides Internet and graphic design related consultative support to ministries
- distributes government news releases and announcements

Communications Technologies
- provides research and implementation support for e-communications
- manages the technology needs of the Public Affairs Bureau and Executive Council

Alberta Queen's Printer
- produces and sells Alberta's laws, related legal material, and other government publications

Human Resources, Administration & Service Alberta Call Centre
Phone: 422-4097

Human Resources and Administration
- provides human resource planning services
- provides financial planning services including budget and forecast preparation
- manages business planning, annual reporting and performance measures process
- manages human resource and financial services provided through the Alberta Corporate Service Centre (payroll, accounts payable, training, records management)

Service Alberta Call Centre
- operates Service Alberta and Alberta Connects Call Centres
- produces Alberta government telephone directories
- provides telephone training, help desk and conference calling services to Alberta government offices

Operational Overview

The three core businesses of the Public Affairs Bureau are to:

1. **Help government ministries communicate with Albertans**: supply professionals to ministries to develop and implement communications programs; provide communications planning and consulting to government; coordinate communications for priority initiatives and during public emergencies; provide specialized writing and editing services; and help ministries purchase advertising and graphic design services.

2. **Provide Albertans with two-way access to government**: manage the Service Alberta Call Centre; manage the Alberta government home page and Alberta Connects; distribute government news releases; and provide technical support for major government news conferences and announcements.

3. **Publish and sell Alberta's laws and other materials**: operate the Queen's Printer Bookstore

Our clients are:

- Albertans requiring information from government;
- Service Alberta Call Centre users;
- Queen's Printer Bookstore customers; and
- ministry clients using central Bureau and communications branch services.

Feedback from Bureau staff collected through the 2003 Government of Alberta Employee Survey shows:

- 92% of Bureau employees are satisfied in their work as a Government of Alberta employee;
- 96% of Bureau employees are satisfied with the level of service their work unit provides to others; and
- 87% feel that they feel valued as a Government of Alberta employee.

2003-2004 Key Activities

The Public Affairs Bureau seconds staff to communications branches across government where they provide a full range of communications services, including communications planning and support, writing and editing services, and special events coordination. The following are examples of the wide range of projects and initiatives done by our staff in 2003-04

GOAL ONE

Increase Communications with Albertans in the Areas They Identify as Top Priorities

Bovine Spongiform Encephalopathy (BSE)
Public Affairs Bureau staff provided communications support in response to a single case of BSE being discovered on a farm in northern Alberta and a second North American case in Washington state. This included working closely with communications staff from Agriculture and Agri-food Canada and the Canadian Food Inspection Agency. Staff also supported a mission of media delegates from Japan to illustrate the safety of Canada's beef industry and ensured that workers laid off due to BSE knew that provincial training assistance was available.

Roundtable on Family Violence and Bullying
Communications staff provided communications support to the regional workshops and provincial discussion groups leading up to Alberta's Roundtable on Family Violence and Bullying, which was held in May 2004.

Public Consultation
Bureau staff aided in a variety of public consultations on government initiatives, including: consultations surrounding the *Child, Youth and Family Enhancement Act* and the *Family Support for Children with Disabilities Act*; the *Protection for Persons in Care Act*; Alberta Recreation Corridors Legislative Review; A New Century for Amateur Sport: from Participation to Excellence; First Nations and industry consultations regarding resource development and regulatory processes affecting land and resource management; the *Traffic Safety Act*; the MLA Committee on Strengthening Alberta's Role in Confederation; and tourism-related highway signage in Alberta.

Environment and Conservation
Communications staff worked on a variety of initiatives focusing on the environment and conservation including: promoting Alberta's new Air Quality Index (AQI); launching the Municipal Energy First program; developing and delivering communications support regarding ongoing reclamation efforts for the Turner Valley Gas Plant National and Provincial Historic Site; supporting a zero impact seismic pilot project with WesternGeco in the Saskatoon Mountain Natural Area; communicating to Albertans about the extensive fire bans, trail closures, and travel bans due to drought and above average temperatures in southern Alberta; supporting the proclamation of the *Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act*; Alberta's long-term water strategy; establishment of the Black Creek Heritage Rangeland; and developing and supporting the announcement of an agreement to see more than 90 per cent of the electricity used in government-owned facilities come from green power sources by 2005.

Health
Bureau staff helped to promote health initiatives, including: a public education campaign to promote awareness of fetal alcohol spectrum disorder; Summer Active, a national six-week community-based awareness campaign promoting physical activity; Recreation and Parks month, highlighting the benefits of recreation as part of a healthy daily routine; Fight the Bite, a campaign to increase public awareness of West Nile Virus; Healthlink; the online Waitlist Registry; Electronic Health Records; Alberta's pandemic plan to manage public health in the event of a global flu epidemic; the second phase of the Healthy U public education campaign; the Alberta Diabetes Strategy, which provides expanded support for lower income Albertans to obtain diabetes supplies like blood glucose testing strips; and the Barb Tarbox anti-smoking campaign.

Investment and Trade
Bureau staff were involved in numerous international missions promoting trade and investment in Alberta. These included missions to Washington, D.C., Silicon Valley, Huston, Texas, Belgium, Asia, London, UK and locations in the western United States. Bureau staff also helped to support visits by foreign dignitaries. Communications staff also worked on initiatives to increase trade to Alberta including: a HDTV documentary on Alberta's Oilsands; Alberta Investment Week, an initiative that attracts top-level information technology firms and influential investors of Alberta and to assist local companies in attracting investment to the province; and a news conference to announce Edmonton as the host city for the 2004 Juno Awards.

Education
Public Affairs Bureau staff provided communications support for the release of, and government response to, the Alberta Commission on Learning final report and recommendations. Communications staff were also involved in communicating details of the *Post-secondary Learning Act*, legislation that gives students better access to a greater diversity of post-secondary programs in Alberta.

Rural Development
Bureau staff provided communications support for the Rural Development Strategy, a cross-ministry initiative to strengthen economic development and diversity in rural communities.

Public Safety
Communications staff provided communications support for safety initiatives, including the *Traffic Safety Act*, the fight against organized crime, efforts to curtail methamphetamine use, the *Corrections Amendment Act*; and the "Choose Safe Not Sorry" advertising campaign and the worksafely.org website to support workplace safety.

Agriculture Policy Framework
Communications staff provided support for the province's involvement and negotiations related to Canada's Agriculture Policy Framework, which will offer our producers some of the best risk-management programs available and addressed issues such as food safety, environment, industry renewal and science and research.

Your Guide
Communications staff developed and released *Your Guide*, a plain-language overview of employment, health and financial benefits available to all Albertans. This comprehensive guide has been accessed online more than 26,500 times and some 50,000 copies have been distributed.

Seniors
Bureau staff worked to promote awareness of available seniors' programs and communicated with Alberta seniors about the announcement of the temporary financial assistance for rising utility costs for low-income seniors, Seniors' Week 2003 and long-term care accommodation.

Auto Insurance
Bureau staff provided ongoing communications on the announcement of a freeze on auto insurance premiums, and work to reform Alberta's auto insurance system, including information on when eligible Albertans will receive refunds or credits on their automobile insurance policies.

Internet
The Public Affairs Bureau continued to improve the facilities and features available on the Government of Alberta home page and prepared a plan for improving Albertans' access to information on the Alberta government website and optimizing accessibility for persons with disabilities. Bureau staff also assisted client ministries in developing web pages dedicated to a variety of issues including: the changing status of infectious diseases; surface water quality and water conservation; employment, health and financial benefits; education policies; curriculum development and Back to School information; the SuperNet; and Aboriginal and Northern culture and initiatives.

Government of Alberta Telephone Directory 2004
Bureau staff produced and distributed the Government of Alberta Telephone Directory 2004 featuring over 600 pages of telephone, fax and email contact information for specific programs and services, government ministries and individual government staff members. Staff also developed and implemented a new website that allows Albertans to create printable government telephone directories, organized by ministry, town or city.

Service Alberta Call Centre and Alberta Connects
Bureau staff handled one million calls to the Service Alberta Call Centre, answering calls within an average of 16 seconds. Another 5 million calls were completed by callers using the direct dial option. Call Centre staff also responded to 26,000 calls to Alberta Connects on a wide variety of government initiatives, such as auto insurance, electricity, natural gas rebates, Learning Commission, West Nile and SARS.

Occupational Health and Safety Code
Queen's Printer Bookstore staff worked with Human Resources and Employment to publish and sell the new Occupational Health and Safety Code, including the new OHS Code Binder and Explanation Guide.

Local Government Statutes and Regulations
With Municipal Affairs, Queen's Printer staff published the Local Government Statutes and Regulations Binder to make it easier for municipalities to access Alberta legislation.

e-Bookmark Newsletter
Queens Printer staff provided customers with an e-Bookmark newsletter, a complimentary monthly e-mail publication that provides information on changes in legislation, updated products and new Alberta Queen's Printer services.

Ministry Expense by Core Business

Results Analysis

Ministry Expense by Core Business

	2003-04 Budget	2003-04 Actual	2002-03 Comparable
	($000)	($000)	($000)
Core Business			
Office of the Premier/Executive Council	4,947	4,709	4,792
Help government ministries communicate with Albertans	8,261	8,250	7,404
Provide Albertans with two-way access to government	3,318	3,062	2,795
Publish and sell Alberta's laws and other materials	1,509	1,703	1,830
	18,035	**17,724**	**16,821**

Results Analysis - Overview

Actual costs in all core businesses were below 2003-04 budgets with the exception of spending for the Alberta Queen's Printer which falls under "Publish and sell Alberta's laws and other materials". Spending exceeded projections due to unanticipated costs for production of the revised Occupational Health and Safety legislation. All expenses were fully cost recovered through sales.

The 2003-04 performance measures for the Public Affairs Bureau were compiled using the same process and survey questions as the previous year's measures. All results are within plus or minus two per cent of 2002-03 levels, with the exception of satisfaction with the Alberta government home page, which increased by three per cent. The highest rated area remains the Service Alberta Call Centre, which received an averaged satisfaction level of 97 per cent.

Of the Bureau's eight measures, four are on or above target, while two are within three per cent of the target. The measures for public satisfaction with government information and access to government information have held or increased over 2002-03 levels, but still remain below the stated targets. However those original targets are aggressive given the broad scope of the service being measured and the nature of the area in general.

AUDITOR GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly

In connection with the Ministry of Executive Council's performance measures included in the *2003-2004 Annual Report of the Ministry of Executive Council* for the year ended March 31, 2004, I have:

1. Agreed information from reports that originated within the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into source reports.

2. Checked that the presentation of results is consistent with the stated methodology.

3. Checked that the results presented are comparable to stated targets, and information presented in prior years.

4. Checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2003.

As a result of applying the above procedures, I found no exceptions. However, these procedures do not constitute an audit, and therefore I express no opinion on the performance measures included in the *2003-2004 Annual Report of the Ministry of Executive Council.*

Fred J. Dunn

FCA
Auditor General

Edmonton, Alberta
July 29, 2004

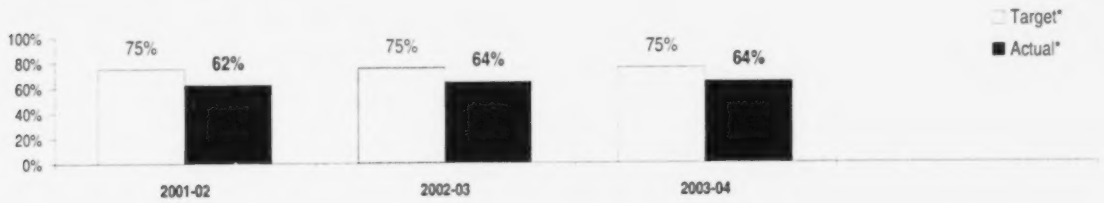
Public Affairs Bureau Performance Measures

GOAL ONE

Increase Communications with Albertans in the Areas They Identify as Top Priorities

Public Satisfaction with Government Communications in Priority Areas

This measure rates Albertans' satisfaction with information they receive about Alberta government activities in areas that are a priority for them.



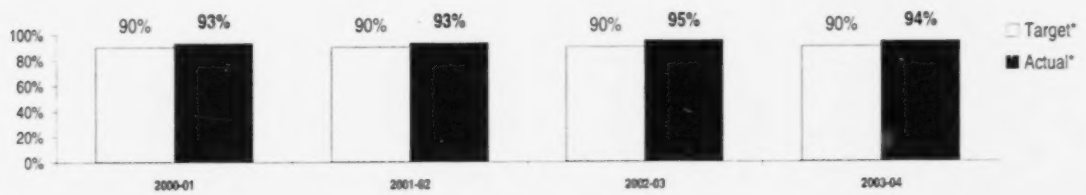
(*Represents the total of "very" and "somewhat" satisfied responses)

Source: Environics

2003-04 results reflect telephone interviews with 1,000 adult Albertans conducted from March 30 to April 6, 2004. Respondents were randomly selected from across the province. A sample of this size within the given population produces results that are reliable to within plus or minus 3.0% 19 times in 20. Respondents were asked to choose from very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied. Figures shown reflect the averaged results of multiple questions. No response replies are not included in the calculation of results.

Government Client Satisfaction

This measure rates government client satisfaction levels with communications services provided by the Bureau.

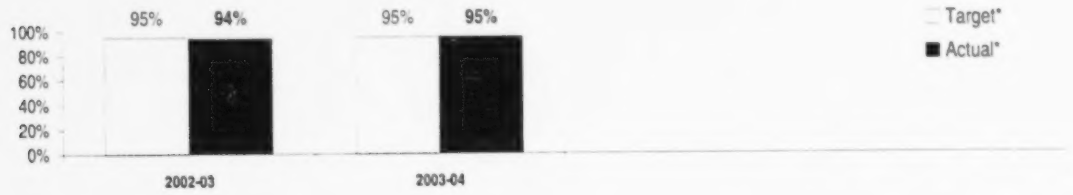


(*Represents the total of "very" and "generally" satisfied responses)

Communications directors provided lists of 658 departmental clients. Clients were contacted via e-mail and provided with a link to a web address that allowed them to complete and submit their surveys online. The survey was conducted in March and April 2004. Responses were received from 375 clients. The survey results were compiled internally by the Bureau. Respondents were asked to choose from very satisfied, generally satisfied, generally dissatisfied or very dissatisfied. Figures shown reflect the averaged results of multiple questions. "Doesn't Apply" and no response replies are not included in the calculation of results.

Alberta Connects Efficiency

This measure tracks the percentage of Alberta Connects e-mail questions answered within the target response time of 72 hours. Alberta Connects is an e-mail service that allows Albertans to ask questions about any Alberta government program or service.



(*Represents % of questions receiving responses within 72 hours)

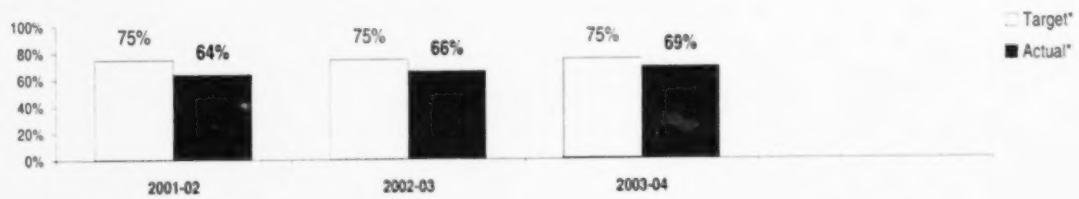
Results reflect the total percentage of Alberta Connects questions answered within 72 hours in the 2003-04 fiscal year. Results are compiled from a database that records the length of time required to answer each question received.

GOAL TWO

Make Government Information More Accessible to Albertans

Public Satisfaction with Access to Government Information

This measure rates Albertans' satisfaction with their ability to access the government information they need, when they need it.



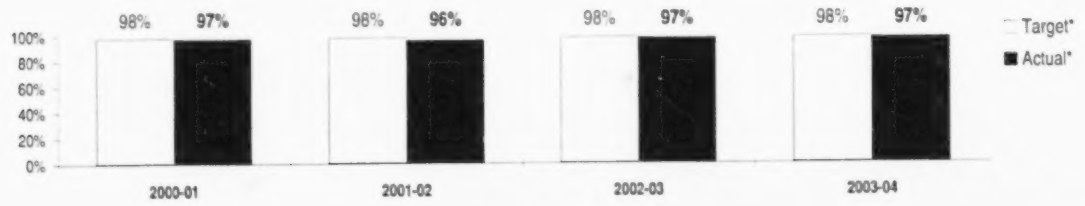
(*Represents the total of "very" and "somewhat" satisfied responses)

Source: Environics

2003-04 results reflect telephone interviews with 1,000 adult Albertans conducted from March 30 to April 6, 2004. Respondents were randomly selected from across the province. A sample of this size within the given population produces results that are reliable to within plus or minus 3.0% 19 times in 20. Respondents were asked to choose from very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied. No response replies are not included in the calculation of results.

Public Satisfaction with the Service Alberta Call Centre

This measure rates the satisfaction levels of Albertans using the Service Alberta Call Centre to access government and obtain information.

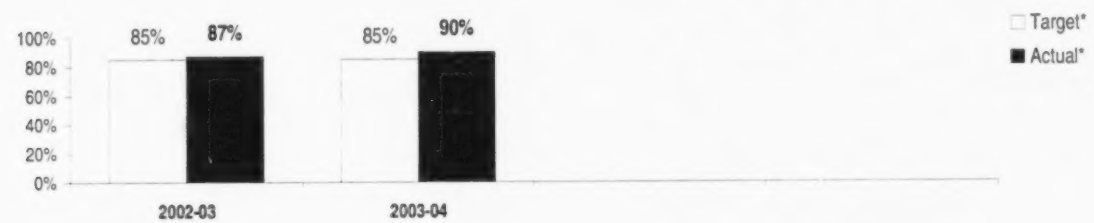


(*Represents the total of "very" and "generally" satisfied responses)

Results reflect the responses of 515 Call Centre users during telephone interviews conducted between April 6 and May 5, 2004. Those surveyed were selected from a total respondent list of 718 names compiled in March and April when Service Alberta Call Centre users were asked if they would participate in a satisfaction survey. The survey results were compiled internally by the Bureau. The figures shown reflect the averaged results of multiple questions. Respondents were asked to choose from very, generally, not very or not at all. "Doesn't Apply" and no response replies are not included in the calculation of results.

User Satisfaction with the Alberta Government Home Page

This measure tracks user satisfaction with the Alberta government home page by asking them how useful they find the page in helping them locate the information they need.



(*Represents the total of "very" and "somewhat" useful responses)

Source: Environics

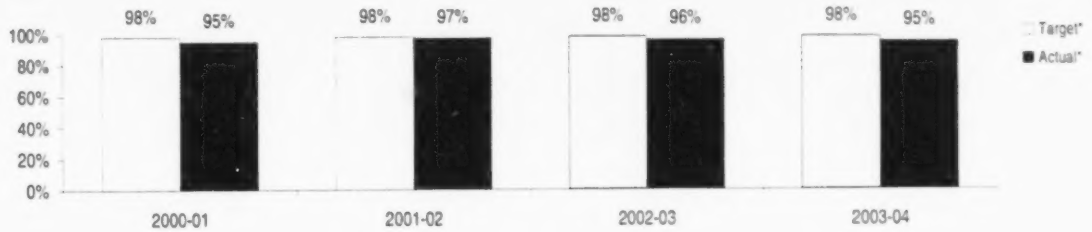
2003-04 results reflect telephone interviews with 1,000 adult Albertans conducted from March 30 to April 6, 2004. Respondents were randomly selected from across the province. A sample of this size within the given population produces results that are reliable to within plus or minus 3.0% 19 times in 20. Respondents were first asked whether they visited the Alberta Government website at www.gov.ab.ca. Those 526 people who answered "Yes" were then asked how useful they found the first page in helping them to locate the information they needed by choosing from very useful, somewhat useful, not very useful or not at all useful. No response replies are not included in the calculation of results.

GOAL THREE

Deliver Products and Services that Allow us to Meet Customer Needs and Revenue Projections

Customer Satisfaction with the Queen's Printer Bookstore

This measure rates the satisfaction levels of Queen's Printer Bookstore survey respondents with the products and services available.

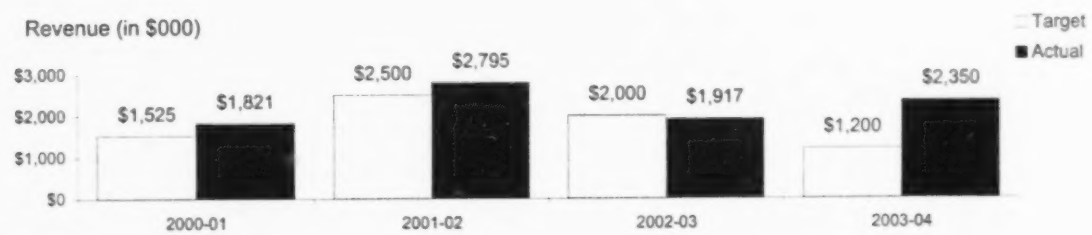


(*Represents the total of "very" and "generally" satisfied responses)

Results were obtained through surveys mailed to a selection of customers who had purchased products from the Bookstore in 2003-04. Respondents were also provided with a web address and given the option of completing an online version of the survey. Of the 986 surveys sent, 187 were returned by mail and 17 were completed online. The survey took place in April 2004. The survey results were compiled internally by the Bureau. The figures shown reflect the averaged results of multiple questions. Respondents were asked to choose from very satisfied, generally satisfied, generally dissatisfied or very dissatisfied. "Doesn't Apply" and no response replies are not included in the calculation of results.

Maintaining Revenue

This measure compares authorized revenue projections with the results actually achieved. The Bureau generates revenue through the sale of legislation, government publications and other materials from the Queen's Printer Bookstore. Actual revenue results are taken from the audited financial statements.



Increases for 2001-02 and 2002-03 are related to sales of the Revised Statutes of Alberta (RSA2000). Higher than projected revenues for 2003-04 are mainly due to sales of the revised Occupational Health and Safety legislation.

Ministry of Executive Council

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March 31, 2004

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Auditor's Report

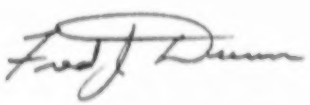
AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Executive Council as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry of Executive Council as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



FCA
Auditor General

Edmonton, Alberta
May 21, 2004

Ministry of Executive Council

Statement of Operations

Year ended March 31, 2004
(in thousands)

	2004		2003
	Budget	Actual	Actual
	(Schedule 3)		(Restated Note 5)
Revenues (Schedules 1)			
Fees, Permits, and Licenses	$ -	$ -	$ 1
Other Revenue	1,200	2,360	1,935
	1,200	2,360	1,936
Expenses - Directly Incurred (Note 2b and Schedule 7)			
Voted (Schedules 1, 2, 4)			
Office of the Premier/Executive Council	4,947	4,709	4,792
Public Affairs	13,088	13,015	12,029
	18,035	17,724	16,821
Valuation Adjustments			
Provision for Vacation Pay	-	197	58
	18,035	17,921	16,879
Net Operating Results	$ (16,835)	$ (15,561)	$ (14,943)

The accompanying notes and schedules are part of these financial statements.

Ministry of Executive Council

Statement of Financial Position

Year ended March 31, 2004
(in thousands)

	2004	2003 (Restated Note 5)
ASSETS		
Cash	$ 355	$ 216
Accounts Receivable	150	150
Advances (Note)	-	-
Inventory for Resale	273	304
	$ 778	$ 670
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 3,098	$ 2,351
Deferred Revenue	61	64
	3,159	2,415
NET LIABILITIES		
Net Liabilities at Beginning of Year	(1,745)	(1,199)
Net Operating Results	(15,561)	(14,943)
Net Transfer from General Revenues	14,925	14,397
Net Liabilities at End of Year	(2,381)	(1,745)
	$ 778	$ 670

The accompanying notes and schedules are part of these financial statements.

Ministry of Executive Council

Statement of Cash Flow

Year ended March 31, 2004
(in thousands)

	2004	2003
Operating Transactions		
Net Operating Results	$ (15,561)	$ (14,943)
Non-cash Items		
Valuation Adjustments	197	58
	(15,364)	(14,885)
Decrease in Accounts Receivable	-	43
Decrease in Inventory for Resale	31	268
Increase in Accounts Payable and Accrued Liabilities	550	99
(Decrease) Increase in Deferred Revenue	(3)	7
Cash applied to Operating Transactions	(14,786)	(14,468)
Financing Transactions		
Net Transfer from General Revenues	14,925	14,397
Increase (Decrease) in Cash	139	(71)
Cash, Beginning of Year	216	287
Cash, End of Year	$ 355	$ 216

Ministry of Executive Council

Notes to the Financial Statements

Year ended March 31, 2004

NOTE 1 AUTHORITY

The Ministry of Executive Council operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries.

(a) Reporting Entity

The reporting entity is the Ministry of Executive Council. This entity consists of the activities of the Office of the Premier/Executive Council, Office of the Chief Internal Auditor and Public Affairs.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer (to) from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 7.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as inventories held for resale. Inventories consist of statutes, pamphlets and other publications held for resale. Inventories are valued at the lower of cost or net realizable value.

Assets acquired by right are not included. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. All land is capitalized. The Ministry has no tangible capital assets that meet these thresholds.

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Net Liabilities

Net liabilities represents the difference between the carrying value of assets held by the Ministry and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values.

NOTE 3 COMMITMENTS

(in thousands)

	2004	2003
Service contracts	$144	-

NOTE 4 DEFINED BENEFIT PLANS

(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of $1,171 for the year ended March 31, 2004 (2003 - $952).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of $290,014 (2002 – $301,968) and the Public Service Pension Plan reported an actuarial deficiency of $596,213 (2002 – $175,528. At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,312 (2002 – $6,472).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of $9,766 (2003 - $14,434) and the Management, Opted Out and Excluded Plan an actuarial surplus of $1,298 (2003 – actuarial deficiency of $3,053). The expense for these two plans is limited to employer's annual contributions for the year.

NOTE 5 COMPARATIVE FIGURES

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

In 2003-2004, the operations of Alberta Connects were transferred to Executive Council from Health & Wellness. As a result, the comparative 2003 expenses, net operating results and net transfer from general revenues have been restated by $1,979.

NOTE 6 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Ministry of Executive Council

Schedule to Financial Statements

Revenues

Schedule 1

Year ended March 31, 2004
(in thousands)

	2004		2003
	Budget (Schedule 3)	Actual	Actual
Fees, Permits, and Licenses	$ -	$ -	$ 1
Other Revenue	1,200	2,360	1,935
	$ 1,200	$ 2,360	$ 1,936

The accompanying notes and schedules are part of these financial statements.

Ministry of Executive Council

Schedule to Financial Statements

Expenses - Directly Incurred Detailed by Object

Schedule 2

Year ended March 31, 2004
(in thousands)

	2004		2003
	Budget	Actual	Actual (Restated Note 5)
Voted			
Salaries, Wages and Employee Benefits	$ 14,701	$ 14,878	$ 13,817
Supplies and Services	3,163	3,324	2,835
Supplies and Services from Support Service Arrangements with Related Parties (a)	30	41	30
Grants	-	-	
Financial Transactions and Other	141	141	139
Amortization of Capital Assets	-	-	
Total Voted Expenses before Recoveries	18,035	18,384	16,821
Less Recovery for Office of the Chief Internal Auditor (b)	-	(660)	-
	$ 18,035	$ 17,724	$ 16,821
Statutory			
Valuation adjustments			
Provision for Vacation Pay	$ -	$ 197	$ 58

(a) The Ministry receives financial reporting services from the Department of Finance.

(b) Start up costs totalling $660,189 for the Office of the Chief Internal Auditor, were charged to the Ministries.

Ministry of Executive Council

Schedule to Financial Statements

Budget

Schedule 3

Year ended March 31, 2004
(in thousands)

	2003-2004 Estimates
Revenues:	
Other Revenue	$ 1,200
Expenses:	
Voted Expenses	
Office of the Premier/Executive Council	4,947
Public Affairs	13,088
	18,035
Statutory Expenses	
Valuation Adjustments	
Provision for Vacation Pay	-
Total Expenses	18,035
Net Operating Results	$ (16,835)

Ministry of Executive Council

Schedule to Financial Statements

Comparison of Expenses - Directly Incurred and Statutory Expenses by Element to Authorized Budget

Schedule 4

Year ended March 31, 2004

(in thousands)

	2003-2004 Estimates	2003-2004 (a) Actual Expense	Unexpended (Over Expended)
Voted Expense			
Office of the Premier/Executive Council			
1.0.1 Office of the Premier/Executive Council	$ 4,692	$ 4,395	$ 297
1.0.2 Office of the Lieutenant Governor	255	314	(59)
	4,947	4,709	238
Public Affairs			
2.0.1 Support Services	1,089	1,128	(39)
2.0.2 Communication Services	7,337	7,516	(179)
2.0.3 Communications Resources	2,116	1,903	213
2.0.4 Queen's Printer	1,503	1,590	(87)
2.0.5 Service Alberta Call Centre	1,043	878	165
	13,088	13,015	73
Total Voted Expenses	$ 18,035	$ 17,724	$ 311
Statutory Expenses			
Valuation Adjustments	$ -	$ 197	$ (197)
	$ -	$ 197	$ (197)

(a) Includes achievement bonus of $691

Ministry of Executive Council

Schedule to Financial Statements

Salary and Benefits Disclosure

Schedule 5

Year Ended March 31, 2004

	2004				2003
	Base Salary (1)	Other Cash Benefits(2)	Other Non-Cash Benefits(3)	Total	Total
Senior Officials					
Deputy Minister (4) (5)	$202,968	$62,393	$18,110	$283,471	$301,810
Chief of Staff (4) (5)	152,808	47,915	31,764	232,487	232,101
Director, Southern Alberta Office	86,940	12,732	18,780	118,452	187,085
Deputy Secretary to Cabinet (5)	136,188	26,592	30,759	193,539	197,356
Director of Communications (6)	54,497		11,657	66,154	147,854
Deputy Chief of Staff	100,800	14,762	21,571	137,133	132,112
Managing Director, Public Affairs Bureau	131,002	22,817	30,042	183,861	194,068
Executives					
Office of the Premier / Executive Council					
Chief of Protocol	93,984	13,764	20,888	128,636	121,176
Executive Director, Policy Coordination	90,386	8,894	19,659	118,939	113,695
Executive Director, Chief Internal Auditor (7)	98,032	14,356	19,017	131,405	-
Public Affairs Bureau					
Executive Director, Communications Resources	110,028	15,000	23,387	148,415	136,420
Executive Director, Corporate Communications	118,680	19,575	25,299	163,554	162,447
Executive Director, Corporate Communications (8)	85,963	11,552	16,981	114,496	-
Director, Human Resources and Administration	102,204	18,283	22,129	142,616	133,744

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Other cash benefits includes amounts in lieu of other non-cash benefits.

(5) Automobile provided, no dollar amount included in non-cash benefits.

(6) This position was occupied until October 6, 2003.

(7) New position was effective July 15, 2003.

(8) New position was effective June 4, 2003.

Ministry of Executive Council

Schedule to Financial Statements

Related Party Transactions — Schedule 6

Year ended March 31, 2004
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2004	**2003**
Revenues		
Other	$ 392	$ 146
Expenses directly incurred		
Other Services	$ 554	$ 581
Receivable from	$ 1	$ 2

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 7.

	Other Entities	
	2004	**2003**
Expenses - Incurred by Others		
Accommodation	$ 397	$ 601
Legal	30	25
Air Transportation	1,970	1,991
	$ 2,397	$ 2,617

Ministry of Executive Council

Schedule to Financial Statements

Allocated Costs

Schedule 7

Year Ended March 31, 2004
(in thousands)

	2004						2003 (Restated Note 5)
		Expenses - Incurred by Others			Valuation Adjustments (4)		
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Air Transportation	Vacation Pay	Total Expenses	Total Expenses
Office of the Premier/ Executive Council	$ 4,709	$ 20	$ 9	$ 1,970	$ 53	$ 6,761	$ 6,815
Public Affairs	13,015	377	21	-	144	13,557	12,681
	$17,724	$ 397	$ 30	$ 1,970	$ 197	$20,318	$ 19,496

1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.
2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 6, allocated by square footage.
3) Costs shown for Legal Services on Schedule 6, allocated by estimated costs incurred by each program.
4) Valuation Adjustments as per Statement of Operations. Employee Benefits included in Valuation Adjustments were allocated as follows:
   - Vacation Pay - allocated to the program by employee

Alphabetical List of Entities' Financial Statements
in Ministry 2002-03 Annual Reports

Entities Included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation[1]	Agriculture Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Dairy Control Board[2]	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Revenue
Alberta Heritage Savings Trust Fund	Revenue
Alberta Heritage Scholarship Fund	Revenue
Alberta Heritage Science and Engineering Research Endowment Fund	Revenue
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Revenue
Alberta School Foundation Fund	Learning
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Revenue
Alberta Social Housing Corporation	Seniors
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta[1]	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness

[1] The Crop Reinsurance Fund of Alberta was merged into the Agricultural Financial Services Corporation, effective April 1, 2003

[2] Dissolved August 1, 2003.

Department of Innovation and Science	Innovation and Science
Department of Learning	Learning
Department of Revenue	Revenue
Department of Seniors	Seniors
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainer Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development [3]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development [3]	Economic Development
Ministry of Energy	Energy
Ministry of Environment [3]	Environment
Ministry of Finance	Finance
Ministry of Executive Council [3]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services [3]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment [3]	Human Resources and Employment
Ministry of Infrastructure [3]	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations [3]	International and Intergovernmental Relations
Ministry of Justice [3]	Justice and Attorney General
Ministry of Learning	Learning
Ministry of Municipal Affairs [3]	Municipal Affairs
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Transportation [3]	Transportation
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Boards:	Community Development
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
Provincial Board	
South Region Community Board	
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation, The	Community Development

[3] Ministry includes only the department so separate department financial statements are not necessary

Entities not Included in the Consolidated Government Reporting Entity

Fund or Agency	Ministry Annual Report
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers Retirement Fund Board	Learning
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan – Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan – Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Provincial Judges and Master in Chambers	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

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